

**MINUTES of the  
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

**Buena Vista – December 18, 2006**

**Attendance:**

<b>Member</b>	<b>Present</b>
H. Beckler	Yes
J. Bullock	Yes
R. Byrd	Yes
N. Cook	Yes
R. Cordrey	Yes
J. Davis	Yes
L. Davis Burnham	Yes
R. Davis	No
R. Derrickson	No
J. DiPinto	No
F. Dixon	Yes
B. Fasy	Yes
R. Gilligan	Yes
R. Glen	Yes
J. Horthy	Yes

<b>Member</b>	<b>Present</b>
D. Hudson	Yes
R. Larson	No
K. Lewis	Yes
D. Link	Yes
A. Lubin	Yes
J. Markell	Yes
J. McKinney Cherry	Yes
C. Morgan	Yes
E. Ratledge	Yes
G. Simpson	Yes
T. Shopa	Yes
H. Smith-Windsor	Yes
D. Swayze	Yes
C. Wicks	No

**Members in Attendance: 24**

**Members Absent: 5**

**Others Present:** P. Carter, M. Casey, T. Cook, J. Craig, D. Dilman, R. Geisenberger, R. Goldsmith, D. Gregor, S. Kubico, B. Motyl, B. Scoglietti, S. Scola, A. Shepard-Visalli, and members of the press.

**Opening Business:** Mr. Byrd called the meeting to order at 3:05 p.m.

The minutes from the September meeting were approved as submitted.

**Expenditure Subcommittee:**

Ms. Davis Burnham presented the Expenditure Subcommittee's report. She stated that the FY2007 Appropriation is \$3,737.7 million. This is a 5.7% increase from the previous year. Reversions are \$10.0 million. Continuing and Encumbered are \$268.6 million. The FY2007 expenditure estimate is \$3,439.1 million. This represents an increase of 8.1% from FY2006.

A motion was made, seconded and approved to accept \$3,439.1 million as the FY2007 expenditure estimate. (See Tables 1a and 1b.)

**Revenue Subcommittee:**

Mr. Lewis presented the Revenue Subcommittee's report.

**Economic Outlook**

Mr. Craig reviewed Global Insight's December economic forecast for the U.S. The outlook for GDP growth remains below trend line growth. This is attributed to the slowdown in the housing and auto sectors. While Global Insight's outlook remained essentially unchanged from its September forecast, December's Blue Chip consensus outlook had fallen from September's trend line forecast to below trend line and is now broadly consistent with Global Insights.

The downward revision in the Blue Chip consensus, the possibility of which was discussed at DEFAC's September meeting, was regarded as a confirmation of Global Insight's more conservative outlook, and, as a consequence, provided the grounds for cutting growth rates in the State's economically sensitive revenue categories.

Dr. Dixon concurred with the economic outlook. He cautioned, however, that there were several indicators that have in the past predicted recession. He cited the inverted yield curve and the sharp downturn in the housing sector.

**General Fund Revenues - Fiscal Year 2007:**

The Revenue Subcommittee recommended the following updates to September's estimates:

Revenue Category	Sep-06	Dec-06	Change
Abandoned Property	306.0	296.0	(10.0)
Corporation Income Tax	201.3	211.3	10.0
CIT Refunds	(35.0)	(45.0)	(10.0)
Franchise Tax	552.9	544.8	(8.1)
Bank Franchise Tax	155.3	162.9	7.6
Realty Transfer Tax	98.0	93.0	(5.0)
PIT Refunds	(160.6)	(165.0)	(4.4)
Lottery	254.5	251.5	(3.0)
Dividends and Interest	18.0	21.0	3.0
Personal Income Tax	1,223.6	1,221.2	(2.4)
Public Utility Tax	49.2	47.2	(2.0)
Cigarette Taxes	90.0	88.5	(1.5)
Hospital Board and Treatment	60.7	62.0	1.3
Insurance Taxes	70.8	71.8	1.0
Limited Partnerships & LLC's	89.0	90.0	1.0
Uniform Commercial Code	11.9	12.8	0.9
Other Revenues	97.3	98.0	0.7

For a complete listing of FY 2007 estimates, see Table 2.

### Discussion of FY 2007 Estimates:

**Personal Income Tax:** Mr. Lewis stated that tracking changes accounted for the decrease in the estimate.

**Corporate Franchise Tax:** Mr. Lewis stated that tracking changes accounted for the decrease in the estimate.

**Corporate Income Tax:** Mr. Carter explained that a single taxpayer accounted for a refund and an assessment that would produce no net change to the forecast.

**Bank Franchise Tax:** Mr. Glen reported that tracking remains strong in this category. In addition, Mr. Glen noted that the state has recently won its tax dispute with Lehman bank. The ruling has been appealed.

**Lottery:** Mr. Lewis noted that, while tracking has been strong, Pennsylvania competition is occurring sooner than anticipated. The result is a net reduction in the estimate.

**Abandoned Property:** Mr. Lewis stated that there is softness in this category. He noted that the reduction occurred even though the reserve balance has been decreased by \$15.0 million.

**Realty Transfer Tax:** Mr. Lewis noted that this category continues to track lower.

Updates in other categories were attributed to tracking changes.

#### **FY2007 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,259.4 million as the revenue estimate for FY 2007.

The estimate represents a decrease of \$20.9 million from DEFAC's September's estimate. Mr. Lewis noted that the nominal growth rate is 2.8% and that the adjusted growth rate is 5.0%.

#### **General Fund Revenues - Fiscal Year 2008:**

Mr. Lewis reported that the Subcommittee recommended the following updates to September's estimates:

Revenue Category	Sep-06	Dec-06	Change
Franchise Tax	580.6	563.9	(16.7)
Abandoned Property	306.0	296.0	(10.0)
Bank Franchise Tax	138.9	147.6	8.7
Personal Income Tax	1,305.0	1,297.0	(8.0)
Lottery	238.8	243.8	5.0
PIT Refunds	(168.7)	(173.3)	(4.6)
Dividends and Interest	19.1	22.3	3.2
Public Utility Tax	51.4	49.3	(2.1)
Cigarette Taxes	92.0	90.4	(1.6)
Limited Partnerships & LLC's	99.7	100.9	1.2
Uniform Commercial Code	10.8	11.9	1.1
Hospital Board and Treatment	68.2	69.3	1.1
Gross Receipts Tax	177.9	176.9	(1.0)
Other Revenues	89.9	90.6	0.7

For a complete listing of FY 2008 estimates, see Table 2.

**Discussion of FY2008 Estimates:**

**Personal Income Tax:** Mr. Lewis stated that the growth rates for Withholding and Estimated payments were reduced, reflecting the slower economic forecast.

**Corporate Franchise Tax:** Mr. Lewis stated that the growth rate for this category was reduced, again reflecting the slower economic forecast.

**Gross Receipts Tax:** Similarly, Mr. Lewis stated that the growth rate for this category was reduced, reflecting the slower economic forecast.

**Lottery:** The increase in the estimate reflects the belief that the full year impact of Pennsylvania slots competition will be less than initially estimated.

**Realty Transfer Tax:** Mr. Lewis noted that the growth rate was raised from - 5.0% in September to 0.0%.

Mr. Lewis reported that other changes reflected the tracking changes made in FY2007.

**FY 2008 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,367.8 million as the revenue estimate for FY2008.

The estimate represents a decrease of \$23.0 million from the September estimate. Mr. Lewis noted that the nominal growth rate is 3.3% and that the adjusted growth rate is 5.0%.

Mr. Gregor noted that the combined FY 2007 – 2008 revenue change amounted to a reduction of less than 0.7%.

Mr. Lewis presented the estimates for FY2009.

**Transportation Trust Fund (TTF)**

**TTF -- Revenues:** Mr. Motyl presented the Transportation Trust Fund's revenue forecast. The following changes were made from the September estimate.

**FY2007 Estimates:**

- **Motor Fuel Tax** was increased from \$120.1 million to \$121.9 million.
- **DMV Document Fees** were decreased from \$66.3 million to \$63.7 million.
- **DVM Other Revenues** were decreased from \$22.5 million to \$21.0 million.
- **Investment Income** was increased from \$7.5 million to \$10.5 million.
- **Other Revenue** was increased from \$12.5 million to \$15.7 million.

A motion was made, seconded, and approved to accept \$402.1 million as the FY2007 revenue estimate. This represents an increase of \$3.9 million from the September estimate.

**FY2008 Estimates:**

- **Toll Road Revenues** were increased from \$136.7 million to \$137.3 million.
- **Motor Fuel Tax** was increased from \$121.1 million to \$124.4 million.
- **DMV Document Fees** were decreased from \$68.2 million to \$65.6 million.
- **DMV Registration Fees** were increased from \$31.8 million to \$32.1 million.
- **DVM Other Revenues** were decreased from \$23.0 million to \$21.6 million.
- **Investment Income** was increased from \$7.0 million to \$10.5 million.
- **Other Revenue** was decreased from \$12.4 million to \$10.2 million.

A motion was made, seconded, and approved to accept \$405.6 million as the FY2008 revenue estimate. This represents an increase of \$1.5 million from the September estimate. (See Table 3.)

**TTF -- Expenditures:** Mr. Motyl presented the FY2007 TTF expenditure report. Mr. Byrd moved to discuss an expenditure estimate of \$258.3 million.

Ms. Davis Burnham responded by requesting that DEFAC's membership devote more attention to the evaluation of the Transportation Trust Fund. She commented on the TTF's complexity and the progress that had been made in improving the process of preparing estimates for the TTF.

Mr. Byrd asked for a motion to approve the estimate of \$258.3 million. Mr. Gregor asked if the Expenditure Subcommittee was sure that this was the number that they

wished to have DEFAC approve, citing that \$258.3 million included only State capital expenditures.

A discussion followed as to whether the policy should be to report only expenditures from State revenue sources or total expenditures from the Transportation Trust Fund.

Ms. Davis Burnham presented an estimate of \$611.8 million for consideration. A motion was made, seconded, and approved to accept a FY2007 TTF estimate of \$611.8 million. (See Tables 4a and 4b.)

**Balance and Appropriations Worksheet:** Mr. Gregor presented the balance and appropriations worksheet. The result is attached as Table 5.

**FY2008 Debt Limit:** Mr. Byrd presented the FY2008 Debt Limit. A motion was made, seconded and approved to accept \$168.4 million as the debt limit.

**FY2006 Fiscal Notebook:** Mr. Byrd noted that the FY2006 Fiscal Notebook has been made available to the members.

**Other Business:**

Mr. Byrd announced the next two scheduled DEFAC meeting dates:

- March 19, 2007
- April 16, 2007

There being no further business, Mr. Byrd adjourned the meeting at 4:15 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

**DEFAC Expenditures Forecast for General Fund Disbursements FY2007** (\$ in millions)**December, 2006**

	FY2004 <u>Actual</u>	FY2005 <u>Actual</u>	FY2006 <u>Actual</u>		FY2007 <u>Appropriation</u>
Budget Act	2,445.1	2,600.4	2,836.0		3,101.9
Cash to Bond Bill	142.0	235.0	281.6		243.3
Grant-in-Aid	38.4	40.0	42.4		50.0
Continuing & Encumbered (from prior years)	173.3	240.1	327.8		342.5
Supplementals	24.9	50.0	48.0		
<b><i>Fiscal Year Spending Authority</i></b>	<b>2,823.7</b>	<b>3,165.5</b>	<b>3,535.8</b>		<b>3,737.7</b>
<b><u>LESS:</u></b>					
				<i>December</i>	
Reversions to the General Fund	29.8	15.4	12.8	10.0	
Encumbered to next fiscal year	29.1	32.8	32.2	30.0	
Continuing to next fiscal year					
Operating Budget				126.3	
Bond Bill				<u>132.3</u>	
Total Continuing	211.0	295.0	310.3	258.6	
Subtotal	269.9	343.2	355.3	298.6	(298.6)
<b><i>Fiscal Year Budgetary Expenditures</i></b>	<b>2,553.8</b>	<b>2,822.3</b>	<b>3,180.5</b>		<b>3,439.1</b>

***Details of supplemental appropriations:***

2004 was \$22.3 for salaries and \$2.6 for Veteran's home

2005 was \$10.0 each for class instruction, post retirement, and federal contingency, plus \$20.0 for market pressure

2006 was \$6.5 for county seats; \$5.0 energy for schools; \$8.0 energy efficiency program; \$2.0 DE energy assistance program; \$20.0 Christina School District; and \$6.5 class instruction, housing &amp; influenza



Table 1b.

**DEFAC Expenditures Forecast for General Fund Disbursements FY2007 (\$ in millions)****December, 2006**

	FY2004	FY2005	FY2006	December FY2007	% chg vs	FY2007 YTD	% spent
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>FY06 Actual</u>	<u>(5 mo actual)</u>	<u>YTD</u>
<b>Salaries</b>	971.6	1,023.1	1,108.3	<b>1,143.0</b>	<b>3.1%</b>	<b>505.8</b>	<b>44.3%</b>
<b>Fringe Benefits</b>	233.3	263.2	298.4	<b>324.2</b>	<b>8.6%</b>	<b>134.8</b>	<b>41.6%</b>
<b>Pension</b>	127.8	147.1	180.7	<b>202.1</b>	<b>11.8%</b>	<b>88.5</b>	<b>43.8%</b>
<b>Debt Service</b>	134.3	153.5	132.5	<b>131.2</b>	<b>-1.0%</b>	<b>60.5</b>	<b>46.1%</b>
<b>Grants</b>	224.2	294.1	403.1	<b>414.0</b>	<b>2.7%</b>	<b>230.9</b>	<b>55.8%</b>
<b>Medicaid</b>	327.2	339.1	381.4	<b>461.9</b>	<b>21.1%</b>	<b>181.3</b>	<b>39.3%</b>
<b>Public Assistance Programs</b>	62.8	83.6	91.7	<b>115.1</b>	<b>25.5%</b>	<b>43.4</b>	<b>37.7%</b>
<b>Professional Services &amp; Travel</b>	143.7	161.3	181.0	<b>211.4</b>	<b>16.8%</b>	<b>90.1</b>	<b>42.6%</b>
<b>Contractual Services</b>	223.9	228.9	252.2	<b>264.1</b>	<b>4.7%</b>	<b>112.3</b>	<b>42.5%</b>
<b>Supplies &amp; Materials</b>	62.1	66.5	73.6	<b>75.3</b>	<b>2.3%</b>	<b>33.7</b>	<b>44.8%</b>
<b>Capital Outlay</b>	<u>42.9</u>	<u>61.9</u>	<u>77.6</u>	<u><b>96.8</b></u>	<u><b>24.7%</b></u>	<u><b>46.1</b></u>	<u><b>47.6%</b></u>
<b>FY2007 Budgetary Expenditures</b>	2,553.8	2,822.3	3,180.5	<b>3,439.1</b>	<b>8.1%</b>	<b>1,527.4</b>	<b>44.4%</b>

**Comments:**

1. FY2007 budget addressed a key cost increase last year with the cost of energy.  
Cost challenges continue in Corrections and children's issues.
2. Pension increase is a combination of rate of pay and actuarial calculations.
3. Top 3 Grants total \$296.6 and are: Univ of Delaware \$124.1; Schools (K-12) \$112.5; Transfer to TTF \$60.
4. Medicaid has been budgeted for a 24% increase, so is running a small surplus at this point.

**Table 2.**  
**DEFAC Worksheet**

December-06 DEFAC Meeting		FY 2006 A Actual Collections	FY 2007					FY 2008				
Revenue Category			B DEFAC Sep-06	C % B over A	D DEFAC Dec-06	E % D over A	F \$ Increase D over B	G DEFAC Sep-06	H % G over B	I DEFAC Dec-06	J % I over D	K \$ Increase I over G
1	Personal Income Tax	1,163.3	1,223.6	5.2%	1,221.2	5.0%	(2.4)	1,305.0	6.7%	1,297.0	6.2%	(8.0)
	Less: Refunds	(147.9)	(160.6)	8.6%	(165.0)	11.6%	(4.4)	(168.7)	5.0%	(173.3)	5.0%	(4.6)
	PIT Less Refunds	1,015.4	1,063.0	4.7%	1,056.2	4.0%	(6.8)	1,136.3	6.9%	1,123.7	6.4%	(12.6)
2	Franchise Tax	526.4	552.9	5.0%	544.8	3.5%	(8.1)	580.6	5.0%	563.9	3.5%	(16.7)
	Less: Refunds	(14.1)	(13.0)	-7.9%	(13.0)	-7.9%	0.0	(13.0)	0.0%	(13.0)	0.0%	0.0
	Franchise Tax Less Refunds	512.2	539.9	5.4%	531.8	3.8%	(8.1)	567.6	5.1%	550.9	3.6%	(16.7)
3	Business Entity Fees	61.8	65.5	6.0%	65.5	6.0%	0.0	69.5	6.1%	69.5	6.1%	0.0
4	Limited Partnerships & LLC's	76.5	89.0	16.4%	90.0	17.7%	1.0	99.7	12.0%	100.9	12.1%	1.2
4	Uniform Commercial Code	14.7	11.9	-18.8%	12.8	-12.7%	0.9	10.8	-9.2%	11.9	-7.0%	1.1
5	Corporation Income Tax	182.7	201.3	10.2%	211.3	15.6%	10.0	211.6	5.1%	211.6	0.1%	0.0
	Less: Refunds	(20.2)	(35.0)	73.6%	(45.0)	123.2%	(10.0)	(32.5)	-7.1%	(32.5)	-27.8%	0.0
	CIT Less Refunds	162.6	166.3	2.3%	166.3	2.3%	0.0	179.1	7.7%	179.1	7.7%	0.0
6	Bank Franchise Tax	132.7	155.3	17.0%	162.9	22.7%	7.6	138.9	-10.6%	147.6	-9.4%	8.7
7	Gross Receipts Tax	179.3	167.0	-6.8%	167.0	-6.8%	0.0	177.9	6.5%	176.9	5.9%	(1.0)
8	Lottery	248.8	254.5	2.3%	251.5	1.1%	(3.0)	238.8	-6.2%	243.8	-3.1%	5.0
9	Abandoned Property	325.1	306.0	-5.9%	296.0	-8.9%	(10.0)	306.0	0.0%	296.0	0.0%	(10.0)
10	Hospital Board and Treatment	59.9	60.7	1.3%	62.0	3.5%	1.3	68.2	12.4%	69.3	11.8%	1.1
11	Dividends and Interest	13.5	18.0	33.4%	21.0	55.6%	3.0	19.1	6.1%	22.3	6.2%	3.2
12	Realty Transfer Tax	116.9	98.0	-16.1%	93.0	-20.4%	(5.0)	93.0	-5.1%	93.0	0.0%	0.0
13	Estate Tax	4.9	0.4	-91.8%	0.4	-91.8%	0.0	0.0	-100.0%	0.0	-100.0%	0.0
14	Insurance Taxes	66.8	70.8	6.0%	71.8	7.5%	1.0	75.0	5.9%	75.0	4.5%	0.0
15	Public Utility Tax	39.4	49.2	25.0%	47.2	19.9%	(2.0)	51.4	4.5%	49.3	4.4%	(2.1)
16	Cigarette Taxes	88.5	90.0	1.7%	88.5	0.0%	(1.5)	92.0	2.2%	90.4	2.1%	(1.6)
17	Other Revenues	72.1	97.3	35.0%	98.0	36.0%	0.7	89.9	-7.6%	90.6	-7.6%	0.7
18	Less: Other Refunds	(21.0)	(22.5)	7.1%	(22.5)	7.1%	0.0	(22.4)	-0.4%	(22.4)	-0.4%	0.0
	Net Receipts	3,169.9	3,280.3	3.5%	3,259.4	2.8%	(20.9)	3,390.8	3.4%	3,367.8	3.3%	(23.0)

FY 2008 Debt Limit:

\$168.4

**Table 2.**  
**DEFAC Worksheet**

<b>December-06 DEFAC Meeting</b>		<b>FY 2009</b>				
	Revenue Category	<b>L DEFAC Sep-06</b>	<b>M % L over G</b>	<b>N DEFAC Dec-06</b>	<b>O % N over I</b>	<b>P \$ Increase N over L</b>
<b>1</b>	<b>Personal Income Tax</b>	<b>1,398.2</b>	<b>7.1%</b>	<b>1,382.2</b>	<b>6.6%</b>	<b>(16.0)</b>
	<b>Less: Refunds</b>	<b>(177.1)</b>	<b>5.0%</b>	<b>(182.0)</b>	<b>5.0%</b>	<b>(4.9)</b>
	<b>PIT Less Refunds</b>	<b>1,221.1</b>	<b>7.5%</b>	<b>1,200.3</b>	<b>6.8%</b>	<b>(20.8)</b>
<b>2</b>	Franchise Tax	609.6	5.0%	583.6	3.5%	(26.0)
	Less: Refunds	(13.0)	0.0%	(13.0)	0.0%	0.0
	Franchise Tax Less Refunds	596.6	5.1%	570.6	3.6%	(26.0)
<b>3</b>	<b>Business Entity Fees</b>	<b>73.6</b>	<b>5.9%</b>	<b>73.6</b>	<b>5.9%</b>	<b>0.0</b>
<b>4</b>	<b>Limited Partnerships &amp; LLC's</b>	<b>111.7</b>	<b>12.0%</b>	<b>113.0</b>	<b>12.0%</b>	<b>1.3</b>
<b>4</b>	<b>Uniform Commercial Code</b>	<b>11.1</b>	<b>2.8%</b>	<b>12.2</b>	<b>2.5%</b>	<b>1.1</b>
	Corporation Income Tax	222.0	4.9%	211.6	0.0%	(10.4)
<b>5</b>	Less: Refunds	(32.5)	0.0%	(32.5)	0.0%	0.0
	CIT Less Refunds	189.5	5.8%	179.1	0.0%	(10.4)
<b>6</b>	<b>Bank Franchise Tax</b>	<b>146.0</b>	<b>5.1%</b>	<b>154.9</b>	<b>4.9%</b>	<b>8.9</b>
<b>7</b>	<b>Gross Receipts Tax</b>	<b>189.4</b>	<b>6.5%</b>	<b>188.4</b>	<b>6.5%</b>	<b>(1.0)</b>
<b>8</b>	<b>Lottery</b>	<b>249.0</b>	<b>4.3%</b>	<b>254.2</b>	<b>4.3%</b>	<b>5.2</b>
<b>9</b>	Abandoned Property	306.0	0.0%	296.0	0.0%	(10.0)
<b>10</b>	Hospital Board and Treatment	74.9	9.8%	76.3	10.1%	1.4
<b>11</b>	Dividends and Interest	19.5	2.1%	22.8	2.2%	3.3
<b>12</b>	<b>Realty Transfer Tax</b>	<b>96.3</b>	<b>3.5%</b>	<b>93.0</b>	<b>0.0%</b>	<b>(3.3)</b>
<b>13</b>	<b>Estate Tax</b>	<b>0.0</b>	<b>Na</b>	<b>0.0</b>	<b>NA</b>	<b>0.0</b>
<b>14</b>	<b>Insurance Taxes</b>	<b>79.9</b>	<b>6.5%</b>	<b>79.9</b>	<b>6.5%</b>	<b>0.0</b>
<b>15</b>	Public Utility Tax	54.0	5.1%	51.8	5.1%	(2.2)
<b>16</b>	Cigarette Taxes	94.0	2.2%	92.4	2.2%	(1.6)
<b>17</b>	Other Revenues	92.1	2.4%	92.8	2.4%	0.7
<b>18</b>	<b>Less: Other Refunds</b>	<b>(22.4)</b>	<b>0.0%</b>	<b>(22.4)</b>	<b>0.0%</b>	<b>0.0</b>
	<b>Net Receipts</b>	<b>3,582.3</b>	<b>5.6%</b>	<b>3,528.9</b>	<b>4.8%</b>	<b>(53.4)</b>

Table 3.

**DELAWARE DEPARTMENT OF TRANSPORTATION**  
**Transportation Trust Fund Revenues**

				Fiscal 2007			Fiscal 2008		
	FY 05 Actual	FY 06 Actual	% Chg. FY 05	9/18/2006 Approved	12/18/2006 Recomm	% Chg. FY 06	9/18/2006 Approved	12/18/2006 Recomm	% Chg. FY 07
<b><u>TOLL ROAD REVENUES:</u></b>									
I95 Newark Plaza	\$57.9	<b>\$85.0</b>	46.8%	\$98.0	<b>\$98.0</b>	15.3%	\$100.0	<b>\$99.8</b>	1.8%
Route 1 Toll Road	30.2	<b>31.5</b>	4.3%	\$33.5	<b>\$33.5</b>	6.3%	\$34.0	<b>\$34.8</b>	3.9%
Concessions	<u>2.8</u>	<u>2.7</u>	<u>-3.6%</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>0.0%</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>0.0%</u>
<b>Total Toll Road Revenues</b>	90.9	<b>119.2</b>	31.1%	\$134.2	<b>\$134.2</b>	12.6%	\$136.7	<b>\$137.3</b>	2.3%
<b><u>MOTOR FUEL TAX ADMIN.</u></b>									
Motor Fuel Tax	113.7	<b>120.1</b>	5.6%	\$120.1	<b>\$121.9</b>	1.5%	\$121.1	<b>\$124.4</b>	2.0%
Motor Carrier Fees	<u>4.2</u>	<u>3.6</u>	<u>-14.3%</u>	<u>\$3.9</u>	<u>\$3.9</u>	<u>8.3%</u>	<u>\$3.9</u>	<u>\$3.9</u>	<u>0.0%</u>
<b>Total MFTA Revenues</b>	117.9	<b>123.7</b>	4.9%	\$124.0	<b>\$125.8</b>	1.7%	\$125.0	<b>\$128.3</b>	1.9%
<b><u>DIVISION OF MOTOR VEHICLES</u></b>									
Motor Vehicle Document Fees	65.7	<b>64.9</b>	-1.2%	\$66.3	<b>\$63.7</b>	-1.8%	\$68.2	<b>\$65.6</b>	3.0%
Motor Vehicle Registration Fees	30.2	<b>30.2</b>	0.0%	\$31.2	<b>\$31.2</b>	3.3%	\$31.8	<b>\$32.1</b>	3.0%
Other DMV Revenues	<u>20.3</u>	<u>20.3</u>	<u>0.0%</u>	<u>\$22.5</u>	<u>\$21.0</u>	<u>3.2%</u>	<u>\$23.0</u>	<u>\$21.6</u>	<u>3.0%</u>
<b>Total DMV Revenues</b>	<u>116.2</u>	<u>115.4</u>	<u>-0.7%</u>	<u>\$120.0</u>	<u>\$115.9</u>	<u>0.4%</u>	<u>\$123.0</u>	<u>\$119.3</u>	<u>3.0%</u>
<b><u>OTHER TRANSPORTATION REV.</u></b>									
Other Transportation Rev	7.6	<b>13.0</b>	71.1%	\$12.5	<b>\$15.7</b>	20.8%	\$12.4	<b>\$10.2</b>	-35.0%
Investment Income(Net)	<u>5.2</u>	<u>7.9</u>	<u>51.9%</u>	<u>\$7.5</u>	<u>\$10.5</u>	<u>32.9%</u>	<u>\$7.0</u>	<u>\$10.5</u>	<u>0.0%</u>
<b>Total Other Transp. Revenue</b>	<u>12.8</u>	<u>20.9</u>	<u>63.3%</u>	<u>\$20.0</u>	<u>\$26.2</u>	<u>25.4%</u>	<u>\$19.4</u>	<u>\$20.7</u>	<u>-21.0%</u>
<b>GRAND TOTAL</b>	<u>\$337.8</u>	<u>\$379.2</u>	<u>12.3%</u>	<u>\$398.2</u>	<u>\$402.1</u>	<u>6.0%</u>	<u>\$404.1</u>	<u>\$405.6</u>	<u>0.9%</u>

Recommended by Revenues Subcommittee: December 15, 2006

Table 4a.

**Delaware Department of Transportation**  
**FY 2007 EXPENDITURES**      **July - November 2006**  
(\$ in millions)

	FY2004	FY2005	FY2006	FY2007	December		FY2007	% spent
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Appropriation</u>	<u>FY2007</u> <u>Forecast</u>	<u>\$ difference</u>	<u>YTD</u>	<u>YTD</u>
<b><u>Operations</u></b>								
Debt Service	95.0	99.2	146.2	116.9	115.1	(1.8)	45.2	39.3%
Personnel Costs	69.0	74.8	73.1	105.0	104.0	(1.0)	40.3	38.8%
Operations/Capital Outlay	51.7	59.2	56.7	51.9	55.1	3.2	19.1	34.7%
Transit Operations	<u>64.9</u>	<u>70.4</u>	<u>74.3</u>	<u>79.3</u>	<u>79.3</u>	<u>0.0</u>	<u>32.5</u>	41.0%
Total Expenditures - Operations	280.6	303.6	350.3	353.1	353.5	0.4	137.1	38.8%
<b><u>Capital (State)</u></b>								
Road System	124.9	186.5	211.8	185.6	168.6	(17.0)	59.0	35.0%
Grants & Allocations	19.0	25.1	23.9	64.4	64.4	0.0	13.9	21.6%
Support Systems	45.7	53.3	26.7	28.6	21.6	(7.0)	0.9	4.2%
Transit	<u>15.9</u>	<u>14.8</u>	<u>4.1</u>	<u>3.7</u>	<u>3.7</u>	<u>0.0</u>	<u>1.8</u>	48.6%
Total Expenditures- State Capital	205.5	279.7	266.5	282.3	258.3	(24.0)	75.6	29.3%
<b><u>Capital (Federal)</u></b>								
Road System	84.4	94.0	101.3	236.8	164.6	(72.2)	41.1	25.0%
Grants & Allocations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Support Systems	0.1	0.3	0.2	14.3	14.3	0.0	0.7	4.9%
Transit	<u>4</u>	<u>6.7</u>	<u>8.4</u>	<u>11.7</u>	<u>11.7</u>	<u>0.0</u>	<u>1.6</u>	13.7%
Total Expenditures - Federal Capital	88.5	101	109.9	262.8	190.6	(72.2)	43.4	22.8%
Total Expenditures - Capital	294.0	380.7	376.4	545.1	448.9	(96.2)	119.0	26.5%
<b>TOTAL EXPENDITURES</b>	574.6	684.3	726.7	898.2	802.4	(95.8)	256.1	31.9%

Recommended by Expenditures Subcommittee: December 15, 2006

Table 4b.

**DEFAC Cash Flow - TTF**

(\$ in millions)

December 18, 2006

**Budget  
FY 2007****Revenues:**

Toll Road Revenue	134.2	
Motor Fuel Tax Administration	125.8	
Division of Motor Vehicles	115.9	
Other Transportation Revenue	26.2	402.1

**Other Funds:**

General Fund Support	60.0	
Escheat	24.0	
Port Loan Repayment	1.0	
Transit - Farebox	14.3	99.3

**TTF Funds Available** **501.4**

**LESS:**

Debt Service	115.1
Personnel and Operations	159.1
Transit Operations	79.3

**Total Debt Service and Operations** **353.5**

TTF Funds Available for Capital **147.9**

Plus: Beginning Capital Cash Available	29.5
Plus: Borrowing	124.0

Total - TTF Resources Available for Capital 301.4

Less:

State Capital Work Plan Expenditures **258.3**

Cash Balance Available for FY 2008 **43.1**

**Transportation Trust Fund Capital Authorization****State Authorizations**

Authorized and Unfunded 6/30/2006	807.3
State Capital Authorization - FY 2007 Bond Bill	176.3
Capital Spending - FY 2007	258.3
Authorized and Unfunded 6/30/2007	725.3

(Allotment Balance = 176.1, Encumbrance Balance = 100.0)

Table 5.

## Balance and Appropriations Worksheet

FY 2007 EXPENDITURES		FY 2007 BALANCES		FY 2008 APPROPRIATION LIMITS	
Total Spending Authority	\$3,737.7	Total Expenditures	\$3,439.1	FY 2008 Revenue Estimate	\$3,367.8
Less: Continuing Appropriations & Encumbrances from FY 2007	(\$288.6)	vs. FY 2007 Revenues	3,259.4	Unencumbered Cash Balance from FY 07	<u>\$46.9</u>
Less: Reversions	<u>(\$10.0)</u>	Operating Balance	(179.7)	100% Appropriation Limit	\$3,414.7
Total Expenditures	\$3,439.1	Prior Year Cash Balance	<u>\$690.6</u>	98% Appropriation Limit	<u>\$3,346.4</u>
		Cumulative Cash Balance	510.9	Prior 98% Appropriation Limit	NA
		Less: Continuing Appropriations & Encumbrances from FY 2007	(288.6)	Increase (Decrease) from Prior Meeting	NA
		Less: Budgetary Reserve Account	<u>(\$175.4)</u>	Dec. 2006 98% Appropriation Limit	\$3,346.4
		Unencumbered Cash Balance 6/30	<u>\$46.9</u>	Increase (Decrease) from December 2006	NA